



AUSTRALIAN BUREAU OF STATISTICS

CANBERRA

NEW ISSUE

EMBARGO: 4 P.M. 22 SEPTEMBER 1975

18319.406  
Reference No. 17.18

5501.0

## INCOME DISTRIBUTION, 1973-74 (PRELIMINARY)

## MAIN FEATURES

- In 1973-74 the average income from all sources for all income recipients was \$5,710 for males and \$2,160 for females. These are increases over the corresponding figures for 1968-69 of 68 per cent for males and 83 per cent for females.
- Average *earned* income in 1973-74 was \$5,990 for males and \$3,060 for females, representing increases since 1968-69 of 72 per cent and 83 per cent respectively.
- The lowest 20 per cent of males with *earned* income earned less than \$3,490, while the highest 20 per cent earned \$8,050 or more. Corresponding figures for females were \$960 and \$4,740.

## EXPLANATORY NOTES

## Introduction

In November 1974, questions were asked at a proportion of the dwellings included in the quarterly population survey in order to obtain information about the income of individuals and families for the year 1973-74. This statement contains some preliminary results for individuals. Additional tables for individuals and particulars of family income will be published as soon as possible. The results of a similar survey conducted in November 1969 were published in Income Distribution, 1968-69, Parts 1-3 (Reference Nos. 17.6, 17.8 and 17.12).

2. The survey was based on a multi-stage area sample of private dwellings (about 20,000 houses, flats etc.) and covered slightly less than one-half of one per cent of the population of Australia. The information was obtained from the occupants of selected dwellings by carefully chosen and specially trained interviewers, the interviews being carried out during a four-week period.

3. The estimates relate to all persons aged 15 years and over, except members of the permanent armed forces, certain diplomatic personnel customarily excluded from census and estimated populations, and persons who were patients in hospitals and sanatoria, or inmates of gaols, reformatories, etc.

## Interpretation of results

4. Since the estimates are based on a sample, they are subject to sampling variability. (See page 2,

paragraph 11 on reliability of the estimates). In addition, they are subject to errors of response and reporting.

5. Interviewers engaged in obtaining information on income were instructed to ask respondents to refer to records wherever possible. However, in many cases the answers were based on memory, and frequently on the memory or knowledge of one person, generally the housewife. Some understatement in the estimates may be expected, because of imperfect recall of minor or irregular sources of income. Other errors may be due to genuine misunderstanding, or to misrepresentation.

6. Other points which should be kept in mind in interpreting the results of the survey are as follows:

- (a) a migrant who had arrived in Australia towards the end of the reference year could have been recorded as receiving little or no income.
- (b) the tables include part-time workers and persons who worked for only part of the year (e.g. school leavers).

## Definitions

7. Income was defined to include (a) all income received while living in Australia, including income from overseas sources and (b) all income received from an Australian source while living overseas. Questions were asked on the amount of income received in 1973-74 from each of the following sources: (1) money wages or salary; (2) own business, trade or profession (net income); (3) share in partnership (net income); (4) government social service benefits; (5) superannuation or annuity; (6) interest, dividends, rent, etc.; (7) other sources, e.g. trust or will, maintenance or alimony. Gifts or donations such as might be made by relatives, friends or charitable organisations were not included, even though such gifts or donations may have been the sole means of support. The definition of income is the same as that used for the 1968-69 survey.

8. Earned income is the sum of income from wages or salary, income from own business, trade or profession and income from a share in a partnership. Recipients of earned income are referred to as "persons with earned income", as distinct from the all-inclusive term "income recipients", which refers to persons who received income from any source.

9. Median income is the amount which divides

the distribution of individuals into two equal groups, one having incomes above the median and the other having incomes below it. Medians were calculated from grouped data, the class intervals being finer than those published in the tables. Linear interpolation was used within the class interval in which the median fell.

10. Mean income is the amount obtained by dividing the total income of a group by the number of units in that group.

#### Reliability of the estimates

11. Since the estimates in this statement are based on a sample, they may differ from the figures that would have been obtained from a complete census using the same questionnaire and procedures. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample and not the whole population was enumerated. The smaller the estimate the higher is the relative standard error : for example, the relative standard error of an estimate for

2. Australia of 2,000,000 is approximately 1.2 per cent (24,000) while that of an estimate of 20,000 is approximately 11 per cent (2,200). There are about two chances in three that a sample estimate will differ by less than one standard error from the figures that would have been obtained from a comparable complete enumeration, and about nineteen chances in twenty that the difference will be less than two standard errors. Very small estimates are subject to such high standard errors as to detract seriously from the value for most reasonable uses. In the tables in this statement, estimates less than 4,000 have not been shown. Although figures for these small components can in some cases be derived by subtraction, they should not be regarded as reliable. More information on this subject is given in the quarterly bulletin *The Labour Force* (Reference No. 6.20).

NOTE. 1. Any discrepancies between totals and sums of components in tables are due to rounding.  
2. Median and mean incomes have been calculated to the nearest ten dollars.

TABLE 1. - ALL INCOME RECEIPIENTS (a) : QUINTILES (b) OF TOTAL INCOME, 1968-69 AND 1973-74

Per cent of persons receiving incomes below the levels shown	Males		Females	
	1968-69	Income level (\$)	1968-69	Income level (\$)
1st quintile	20	1,670	2,580	150
2nd quintile	40	2,680	4,750	620
3rd quintile	60	3,410	6,080	1,060
4th quintile	80	4,530	7,910	1,970
				1,160
				2,000
				3,860

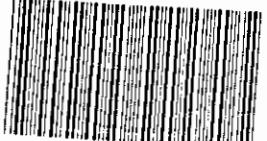
(a) Non-institutional population aged 15 years and over. (See Explanatory Notes, paragraph 3). (b) The points dividing the successive fifths of the income distribution. (See Table 3).

TABLE 2. - PERSONS WITH EARNED INCOME (a) : QUINTILES (b) OF EARNED INCOME, 1968-69 AND 1973-74

Per cent of persons receiving incomes below the levels shown	Males		Females	
	1968-69	Income level (\$)	1968-69	Income level (\$)
1st quintile	20	2,050	3,490	590
2nd quintile	40	2,810	5,070	1,260
3rd quintile	60	3,490	6,260	1,780
4th quintile	80	4,580	8,050	2,360
				960
				2,260
				3,490
				4,740

(a) Non-institutional population aged 15 years and over. (See Explanatory Notes, paragraph 3). (b) The points dividing the successive fifths of the income distribution. (See Table 4).

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TABLE 3. - ALL INCOME RECEIPIENTS (a) : TOTAL INCOME, 1973-74(b)

Total income (c) (\$)			Number ('000)			Cumulative per cent of all income recipients			
	Males	Females	Persons		Total income (c) (\$)	Males	Females	Persons	
1 and under	200	76.4	887.6	964.0	Under	200	1.7	20.8	11.0
200 "	400	35.9	225.6	261.5	"	400	2.5	26.1	14.0
400 "	600	30.5	152.3	182.8	"	600	3.2	29.7	16.1
600 "	800	31.4	103.0	134.4	"	800	3.9	32.1	17.7
800 "	1,000	43.8	105.6	149.5	"	1,000	4.9	34.6	19.4
1,000 "	1,200	173.1	291.7	464.9	"	1,200	8.8	41.4	24.7
1,200 "	1,400	155.2	427.9	583.1	"	1,400	12.2	51.4	31.4
1,400 "	1,600	74.0	155.0	229.0	"	1,600	13.9	55.1	34.0
1,600 "	1,800	51.7	112.5	164.2	"	1,800	15.0	57.7	35.9
1,800 "	2,000	51.0	99.7	150.7	"	2,000	16.2	60.0	37.6
2,000 "	2,500	149.0	243.1	392.1	"	2,500	19.5	65.7	42.1
2,500 "	3,000	136.8	208.8	345.6	"	3,000	22.6	70.6	46.1
3,000 "	3,500	166.6	229.9	396.4	"	3,500	26.3	76.0	50.6
3,500 "	4,000	181.8	233.6	415.4	"	4,000	30.4	81.5	55.4
4,000 "	4,500	282.8	197.6	480.4	"	4,500	36.7	86.1	60.9
4,500 "	5,000	298.5	139.9	438.3	"	5,000	43.4	89.4	65.9
5,000 "	5,500	392.8	147.7	540.5	"	5,500	52.2	92.9	72.1
5,500 "	6,000	289.6	64.6	354.2	"	6,000	58.7	94.4	76.1
6,000 "	6,500	349.0	61.8	410.8	"	6,500	66.5	95.6	80.8
6,500 "	7,000	242.9	32.2	275.1	"	7,000	71.9	96.6	84.0
7,000 "	7,500	222.1	29.9	252.0	"	7,500	76.9	97.3	86.9
7,500 "	8,000	170.6	19.3	189.9	"	8,000	80.7	97.7	89.0
8,000 "	8,500	158.9	19.6	178.5	"	8,500	84.3	98.2	91.1
8,500 "	9,000	110.8	13.6	124.3	"	9,000	86.8	98.5	92.5
9,000 "	9,500	90.1	10.1	100.2	"	9,500	88.8	98.7	93.6
9,500 "	10,000	63.4	7.2	70.6	"	10,000	90.2	98.9	94.5
10,000 "	11,000	141.3	15.4	156.6	"	11,000	93.4	99.3	96.2
11,000 "	12,000	57.5	4.5	62.0	"	12,000	94.6	99.4	97.0
12,000 "	13,000	59.5	5.9	65.4	"	13,000	96.0	99.5	97.7
13,000 "	15,000	55.8	8.7	64.5	"	15,000	97.2	99.7	98.4
15,000 "	17,000	48.0	5.1	53.1	"	17,000	98.3	99.8	99.1
17,000 "	19,000	19.8		22.2	"	19,000	98.7	99.9	99.3
19,000 "	21,000	18.2		19.3	"	21,000	99.1	99.9	99.5
21,000 "	23,000	8.4		8.4	"	23,000	99.3	99.9	99.6
23,000 "	25,000	7.7		7.8	"	25,000	99.5	99.9	99.7
25,000 "	30,000	9.0		10.8	"	30,000	99.7	100.0	99.8
30,000 "	35,000	5.1	*	5.4	"	35,000	99.8	100.0	99.9
35,000 and over		7.9		8.3					
Total	4,466.8	4,265.6	8,732.5	Total		100.0	100.0	100.0	
- dollars -									
Median Income	5,380	1,370	3,430		..	..	..	..	
Mean Income	5,710	2,160	3,980		..	..	..	..	

(a) Non-institutional population aged 15 years and over. (See Explanatory Notes, paragraph 3). (b) For definitions see page 1. (c) From all sources.

\* Less than 4,000. See paragraph 11, page 2.

TABLE 4. - PERSONS WITH EARNED INCOME (a) : EARNED INCOME, 1973-74 (b)

Earned income (\$)	Number ('000)			Earned income (\$)		Cumulative per cent of all income earners			
	Males	Females	Persons			Males	Females	Persons	
1 and under	200	69.3	124.4	193.7	Under	200	1.7	5.3	3.0
200 "	400	49.6	112.2	161.7	"	400	3.0	10.0	5.6
400 "	600	38.7	95.1	133.8	"	600	3.9	14.1	7.7
600 "	800	33.7	79.7	113.4	"	800	4.8	17.4	9.5
800 "	1,000	42.7	77.1	119.8	"	1,000	5.8	20.7	11.4
1,000 "	1,200	58.6	89.2	147.8	"	1,200	7.3	24.5	13.7
1,200 "	1,400	36.1	79.3	115.4	"	1,400	8.2	27.8	15.5
1,400 "	1,600	38.8	73.2	112.0	"	1,600	9.2	30.9	17.3
1,600 "	1,800	31.9	57.2	89.1	"	1,800	10.0	33.3	18.7
1,800 "	2,000	29.5	61.7	91.2	"	2,000	10.7	36.0	20.1
2,000 "	2,500	108.8	182.2	291.0	"	2,500	13.4	43.7	24.7
2,500 "	3,000	115.4	181.8	297.2	"	3,000	16.3	51.4	29.3
3,000 "	3,500	151.6	206.4	358.0	"	3,500	20.1	60.1	35.0
3,500 "	4,000	175.3	219.6	394.9	"	4,000	24.5	69.4	41.2
4,000 "	4,500	278.3	185.8	464.1	"	4,500	31.4	77.3	48.5
4,500 "	5,000	287.4	133.1	420.5	"	5,000	38.6	82.9	55.1
5,000 "	5,500	393.7	133.2	526.9	"	5,500	48.5	88.6	63.3
5,500 "	6,000	280.7	62.1	342.8	"	6,000	55.5	91.2	68.7
6,000 "	6,500	343.3	57.5	400.8	"	6,500	64.1	93.6	75.0
6,500 "	7,000	236.8	27.9	264.6	"	7,000	70.0	94.8	79.2
7,000 "	7,500	219.3	21.7	241.0	"	7,500	75.5	95.7	83.0
7,500 "	8,000	165.8	20.2	186.0	"	8,000	79.6	96.6	85.9
8,000 "	8,500	154.4	19.7	174.1	"	8,500	83.5	97.4	88.6
8,500 "	9,000	106.7	14.5	121.2	"	9,000	86.1	98.0	90.5
9,000 "	9,500	83.7	6.3	90.0	"	9,500	88.2	98.3	92.0
9,500 "	10,000	59.8	5.3	65.1	"	10,000	89.7	98.5	93.0
10,000 "	11,000	143.9	14.3	158.3	"	11,000	93.3	99.1	95.5
11,000 "	12,000	52.4	*	55.9	"	12,000	94.6	99.2	96.3
12,000 "	13,000	56.5	5.5	62.0	"	13,000	96.0	99.5	97.3
13,000 "	15,000	50.5	5.7	56.2	"	15,000	97.3	99.7	98.2
15,000 "	17,000	40.2	4.3	43.3	"	17,000	98.3	99.9	98.9
17,000 "	19,000	20.0		21.2	"	19,000	98.8	99.9	99.2
19,000 "	21,000	19.0		19.4	"	21,000	99.3	99.9	99.5
21,000 "	23,000	4.8		4.8	"	23,000	99.4	99.9	99.6
23,000 "	25,000	5.3	*	5.9	"	25,000	99.5	99.9	99.7
25,000 "	30,000	7.0		7.1	"	30,000	99.7	99.9	99.8
30,000 "	35,000	6.0		6.3	"	35,000	99.8	100.0	99.9
35,000 and over		6.2		6.6					
Total	4,001.5	2,361.4	6,362.9	Total		100.0	100.0	100.0	
— dollars —									
Median Income	5,610	2,910	4,620			..	..	..	
Mean Income	5,990	3,060	4,900			..	..	..	

(a) Non-institutional population aged 15 years and over. (See Explanatory Notes, paragraph 3). (b) For definitions see page 1.

\* Less than 4,000. See paragraph 11, page 2.